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# Is the Luxury Handbag's Heyday Ending?

An \$8 billion slide in sales shows attitudes toward designer bags are changing

By Carol Ryan

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Actress Inde Navarrette carries a bag by Chanel, which has mounted a successful push to refresh its handbag lineup. AEON/GC IMAGES

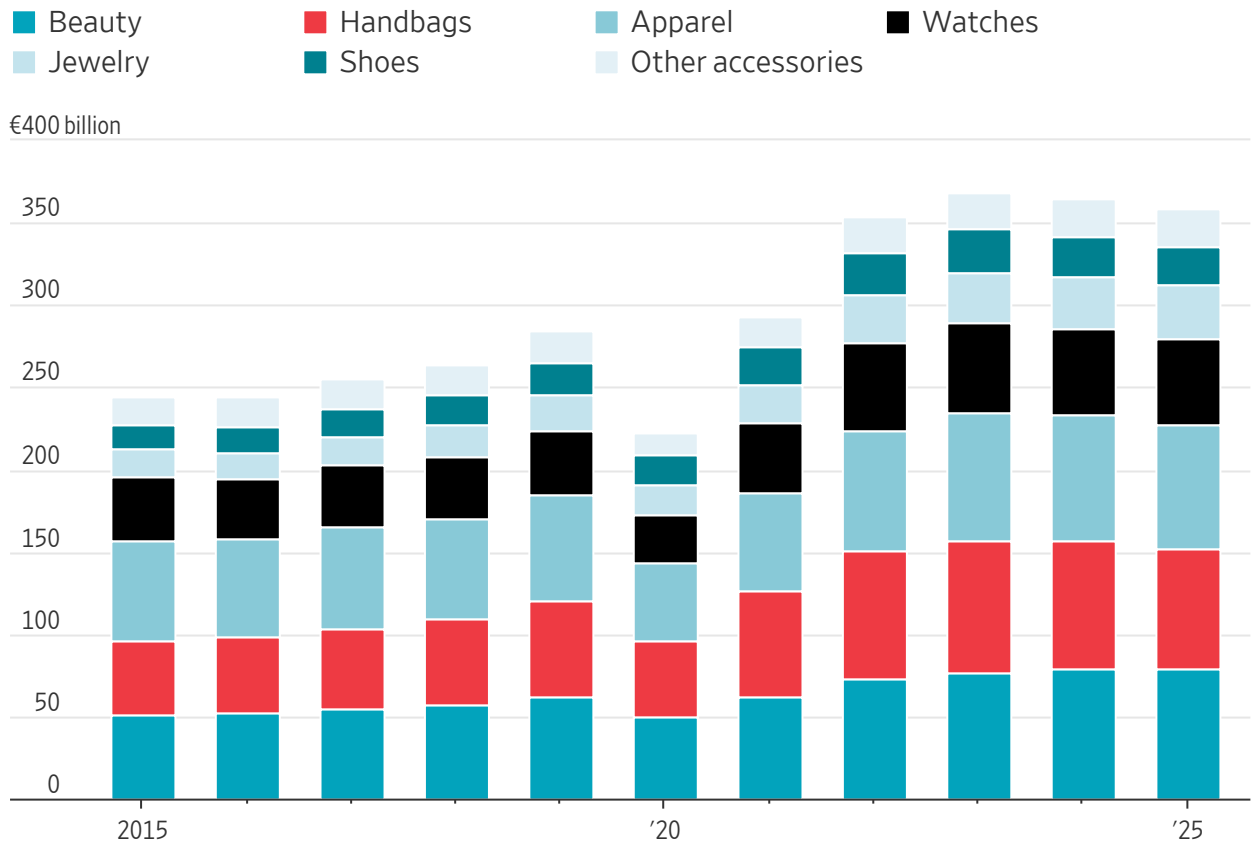
Status symbols are an odd thing. Some purchases, like a mansion, have never lost their power to flaunt wealth. Pineapples—which were once so rare and expensive that they became the 17th century's equivalent of the Birkin—fell out of fashion as soon as rising supply meant the middle classes could afford them too.

A question for luxury brands and their shareholders now is whether handbags are more like expensive property or pineapples.

Something is going on in the handbag business. After years of explosive growth, shoppers are slipping away. Sales of luxury bags are down almost 10% from peaks seen in 2023, data from Bain & Company shows, equivalent to a roughly \$8 billion hole in annual spending.

According to the industry, the problem can be fixed. Yes, brands raised prices too aggressively during the pandemic, but shoppers who were annoyed by the cash grab can be won over again.

**Global luxury sales by product**



Note: €1=\$1.16  
Source: Bain & Co.

Brands are betting that innovation will lure them back. Luxury companies released 80% fewer new bags between 2023 and 2025 than they did between 2016 and 2019, Bain data shows. But a wave of newly hired creative talent is coming up with fresh designs. Go to Chanel’s website today and 74% of the handbag offer is now new, Bernstein analysis shows.

A less optimistic take circulating online is that luxury handbags are played out and oversaturated. Social-media feeds are flooded with images of once-scarce bags like the Hermès Birkin and the Chanel Classic Flap, which has killed some of the magic.

“You are selling the promise of exclusivity. Anything that creates visibility is not necessarily good,” says Luca Solca, luxury goods analyst at Bernstein.

Which explanation is right? Data from the resale market and social-media listening tools shows that shoppers are still obsessed with luxury handbags, but their tastes are evolving in ways that are unhelpful for luxury companies' profits.

Demand has shifted away from designer stores to the secondhand market. Sales of luxury handbags have risen 20% since 2023 on The RealReal REAL -5.08% ▼ . Social-media content about affordable ways to access luxury handbags through resale and rental platforms like Vivrelle is up sharply, analysis by Traackr shows.

The shift isn't only about price. Resale trends suggest that carrying a vintage luxury bag is becoming cooler than buying new. In May, searches for vintage bags were up 131% compared with the same month of 2025, data from The RealReal shows.

Vintage is gaining popularity because of growing disenchantment with modern, mass-produced luxury, according to Silvia Bellezza, an associate professor of marketing at Columbia Business School.

Consumers perceive older bags to be better quality, and buying vintage is a way to look different in an era of algorithm-driven fashion trends. Buying vintage also requires knowledge of fashion history, which is emerging as a new status symbol itself.

If the shift away from buying new goods really takes hold, it is a problem for luxury brands. “It-bags” have been their bread and butter since the 1990s. Last year, 44% of Hermès' group sales came from handbags like the Birkin and the Kelly. The share was even higher at Saint Laurent and Bottega Veneta, which made 65% and 77% of total sales from purses and small leather goods respectively.



The Birkin remains a major driver of overall Hermès sales. EDWARD BERTHELOT/GETTY IMAGES

Expensive handbags are critical for brands' bottom line. They boost how much revenue a business generates per square foot of store space, which is a key metric for an industry that pays the highest retail rents in the world.

Handbags are also important for recruiting new consumers, as a designer purse is often the first luxury purchase a shopper makes to signal they are moving up in the world. Since bags don't have the same sizing issue as shoes and clothing, they are less likely to go on sale, which helps profits.

The share prices of European luxury groups most exposed to handbags—LVMH MC 3.52% ▲, Kering and Hermès—are down 27% on average since the start of 2024. Judging whether now is the time to scoop up the stocks depends heavily on what happens next to demand.

There are reasons to think brands can turn things around. One is Chanel's spectacularly successful makeover. The privately owned brand hired designer Matthieu Blazy to overhaul its products, and the response has been strong. Shoppers have stripped the shelves bare of new handbag designs, and sold-out models are selling at steep premiums on resale websites. Desire for new luxury handbags is intense if the design is right.

Luxury brands have dug themselves out of a handbag funk before. In 2015, purse sales stagnated because customers grew tired of heavily logoed looks. A spurt of innovation led to years of strong demand and stellar return for shareholders.